BUCKEYE TECHNOLOGIES INC
Form SC 14D9
May 07, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14D-9

(RULE 14d-101)

SOLICITATION/RECOMMENDATION STATEMENT UNDER SECTION 14(d)(4)

OF THE SECURITIES EXCHANGE ACT OF 1934

BUCKEYE TECHNOLOGIES INC.

(Name of Subject Company)

BUCKEYE TECHNOLOGIES INC.

(Name of Person Filing Statement)

COMMON STOCK, PAR VALUE $0.01 PER SHARE

(Title of Class of Securities)

118255108

(CUSIP Number of Class of Securities)

John B. Crowe

Chairman of the Board of Directors and

Chief Executive Officer

Buckeye Technologies Inc.

P.O. Box 80407

1001 Tillman Street

Memphis, Tennessee 38108-0407

(901) 320-8100

(Name, address and telephone number of person authorized to receive notices

and communications on behalf of the person filing statement)

Copies to:

William J. Tuttle

Derek M. Winokur

Dechert LLP

1900 K Street, N.W.

Washington, D.C. 20006

(202) 261-3300

¨ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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Item 1. Subject Company Information
Name and Address

The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (together with any exhibits attached hereto, this Schedule 14D-9) relates is Buckeye Technologies Inc., a Delaware corporation (we , us , our or Buckeye). The Company s princi executive offices are located at 1001 Tillman Street, Memphis, Tennessee 38112, and its telephone number is (901) 320-8100.

Securities

The title of the class of equity securities to which this Schedule 14D-9 relates is common stock, par value $0.01 per share, of Buckeye (the Common Stock). As of the close of business on May 1, 2013, there were 39,528,015 shares of Common Stock outstanding.

Item 2. Identity and Background of Filing Person
Name and Address

The Company, the subject company, is filing this Schedule 14D-9. The Company s name, business address and business telephone number are set forth in Item 1 above under the heading *Name and Address*.

Tender Offer

This Schedule 14D-9 relates to the tender offer by GP Cellulose Group LLC, a Delaware limited liability company (Purchaser) and an indirect wholly-owned subsidiary of Georgia-Pacific LLC, a Delaware limited liability company (Georgia-Pacific), as disclosed in the Tender Offer Statement on Schedule TO filed by Georgia-Pacific and Purchaser with the U.S. Securities and Exchange Commission (the SEC) on May 7, 2013 (as amended or supplemented from time to time, the Schedule TO), to purchase all of the issued and outstanding shares of Common Stock at a price of $37.50 per share (the Offer Price), net to the seller thereof in cash, without interest, subject to any withholding of taxes required by applicable law, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 7, 2013 (as amended or supplemented from time to time, the Offer to Purchase), and in the related Letter of Transmittal for Shares and the Letter of Transmittal for Restricted Shares (as amended or supplemented from time to time, the Letters of Transmittal and, together with the Offer to Purchase, the Offer). Copies of the Offer to Purchase and the Letters of Transmittal are filed as Exhibits (a)(1), (a)(2) and (a)(3), respectively, hereto and are incorporated herein by reference.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of April 23, 2013 (as amended or supplemented from time to time, the Merger Agreement), by and among Georgia-Pacific, Purchaser and Buckeye. The Merger Agreement provides, among other things, that, following the consummation of the Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement and in accordance with the General Corporation Law of the State of Delaware, as amended (DGCL), Purchaser will merge with and into Buckeye (the Merger), with Buckeye surviving the Merger as an indirect wholly-owned subsidiary of Georgia-Pacific (the Surviving Corporation). At the time the Merger becomes effective (the Effective Time), each share of Common Stock that is issued and outstanding immediately prior to the Effective Time (other than shares of Common Stock held by (i) Buckeye as treasury stock or owned by any subsidiary of Buckeye or otherwise owned by Georgia-Pacific or any of Georgia-Pacific s direct or indirect wholly-owned subsidiaries, including Purchaser, which in each case will be cancelled and cease to exist, with no payment being made with respect thereto and (ii) stockholders who have perfected their statutory rights of appraisal under Section 262 of the DGCL) will be converted into the right to receive the Offer Price, without interest (the Merger Consideration), payable net to the holder in cash, subject to any withholding of taxes required by applicable law. As a result of the Merger, Buckeye will cease to be a publicly traded company. This summary of the Merger Agreement does not, and any other summary of provisions of the Merger Agreement contained herein do not, purport to be complete and each is qualified in its entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

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The expiration date of the Offer is 12:00 midnight, New York City time, on Tuesday, June 4, 2013, subject to extension in certain circumstances set forth in the Merger Agreement or as required by applicable law.

As set forth in Schedule TO, the address of Georgia-Pacific and Purchaser is 133 Peachtree Street NE, Atlanta, Georgia 30303 and their telephone number is (404) 652-5112.

Item 3. Past Contacts, Transactions, Negotiations and Agreements

Except as set forth in this Schedule 14D-9 or as incorporated herein by reference, including the Information Statement (the Information Statement) attached as Annex I hereto and incorporated herein by reference, as of the date of this Schedule 14D-9, to the knowledge of Buckeye, there are no material agreements, arrangements or understandings, and no actual or potential conflicts of interest, between Buckeye or its affiliates, on the one hand, and (i) Buckeye s executive officers, directors or affiliates or (ii) Georgia-Pacific, Purchaser or their respective executive officers, directors or affiliates, on the other hand. The Information Statement is being furnished to Buckeye s stockholders pursuant to Section 14(f) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 14f-1 promulgated thereunder, in connection with Purchaser s right pursuant to the Merger Agreement to designate persons to serve on Buckeye s board of directors (the Board) after Purchaser accepts for payment shares of Common Stock tendered and not properly withdrawn pursuant to the Offer (the Acceptance Time).

Arrangements Between Buckeye and Georgia-Pacific, Purchaser and Their Respective Executive Officers, Directors or Affiliates

Merger Agreement

The summary of the Merger Agreement and the description of the conditions to the Offer contained in the Offer to Purchase are incorporated by reference herein. Such summary and description are qualified in their entirety by reference to the Merger Agreement.

The Merger Agreement has been provided solely to inform investors of its terms and is not intended to modify or supplement any factual disclosures about Buckeye in any public reports filed with the SEC by Buckeye. In particular, the assertions embodied in the representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement, were solely for the benefit of the parties to the Merger Agreement and may be subject to limitations agreed upon by the contracting parties not set forth in the Merger Agreement. The representations and warranties set forth in the Merger Agreement may also be subject to a contractual standard of materiality different from that generally applicable to investors under federal securities laws.

Confidentiality Agreement

On January 30, 2013, Buckeye and Georgia-Pacific entered into a confidentiality agreement (the Confidentiality Agreement). The summary of the Confidentiality Agreement contained in the Offer to Purchase is incorporated by reference herein. Such summary does not purport to be complete and is qualified in its entirety by reference to the Confidentiality Agreement, a copy of which is filed as Exhibit (e)(2) hereto and is incorporated herein by reference.

Arrangements Between Buckeye and its Executive Officers, Directors or Affiliates

Director and Officer Exculpation, Indemnification and Insurance

As permitted under Section 145 of the DGCL, Buckeye has included in its second amended and restated certificate of incorporation (as amended, the Charter) a provision to eliminate the personal liability of its directors for monetary damages arising from a breach of fiduciary duty owed to Buckeye or its stockholders to

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the fullest extent permissible under the DGCL. In addition, the second amended and restated by-laws of Buckeye (the By-laws) provide that Buckeye is required to indemnify its directors and officers to the fullest extent not prohibited by the DGCL. The Company may also be required to advance fees and expenses to any person who was or is a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, arising from his or her services as a director or other officer of Buckeye.

Pursuant to authorization by the Board, Buckeye has entered into indemnification agreements (Indemnification Agreements) with each of its directors under which each director (and in certain situations, a director s spouse) has a contractual right (i) to indemnification to the fullest extent permitted by applicable law for losses suffered or expenses incurred in connection with any threatened, pending or completed litigation or other proceeding relating to that person s service as a director of Buckeye, (ii) subject to certain limitations and procedural requirements, to the advancement of expenses paid or incurred in connection with such litigation or other proceeding, (iii) to certain procedural and other protections effective upon a change in control of Buckeye, including the creation of a trust to secure Buckeye s indemnification obligations, and (iv) to coverage under Buckeye s directors and officers insurance policies, to the extent that Buckeye maintains such insurance policies and they are reasonably available, with comparable levels of coverage as the policies in effect as of the date of the Indemnification Agreements.

This summary of the Indemnification Agreements does not purport to be complete and is qualified in its entirety by reference to the Indemnification Agreements, the form of which is filed as exhibits (e)(3) hereto, and are incorporated herein by reference.

Pursuant to the Merger Agreement, for a period of six years from and after the Effective Time, Georgia-Pacific and the Surviving Corporation have agreed to indemnify and hold harmless the past and present directors and officers of Buckeye and Buckeye s subsidiaries (collectively, the Covered Persons) as provided by the terms of the Charter, the By-laws and any indemnification agreements in existence on the date of the Merger Agreement, in each case, arising out of acts or omissions in their capacity as directors or officers of Buckeye or any subsidiary of Buckeye occurring at or prior to the Effective Time to the fullest extent permissible under the DGCL. In addition, the Merger Agreement provides that, for a period of six years from and after the Effective Time, the certificate of incorporation and bylaws of the Surviving Corporation will contain provisions no less favorable with respect to exculpation, indemnification and advancement of expenses of Covered Persons for periods at or prior to the Effective Time than are currently set forth in the Charter and By-laws, and that any indemnification agreements in existence on the date of the Merger Agreement with any directors or officers of Buckeye will continue in full force and effect in accordance with their terms following the Effective Time.

The Merger Agreement further provides that, for a period of six years from and after the Effective Time, the Surviving Corporation will maintain (and Georgia-Pacific or its assignee will cause it to maintain) for the benefit of Buckeye s directors and officers, as of the date of the Merger Agreement and as of the Effective Time, an insurance and indemnification policy that provides coverage for events occurring prior to the Effective Time that is substantially equivalent to and, in any event, not less favorable in the aggregate and with coverage amounts not less favorable than Buckeye s existing policy or, if substantially equivalent insurance coverage is unavailable, the best available coverage. The Surviving Corporation, however, will not be required to pay an annual premium for coverage in excess of 250% of the last annual premium paid prior to the date of the Merger Agreement.

Change in Control Agreements

On August 2, 2011, the Board authorized the compensation committee to enter into amended and restated change in control agreements (the Change in Control Agreements) with the chief executive officer, chief operating officer or any senior vice president of the company. These are double trigger agreements pursuant to which such executive officer or senior vice president will be paid a lump sum payment if there is (1) a change in control of Buckeye and (2) a termination of the executive officer s employment, either by Buckeye without cause or by the executive with good reason within two years following the change in control (as such terms

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are defined in the Change in Control Agreements, as summarized below. If both a change of control and such a termination occurs, then, pursuant to the Change in Control Agreement, the executive is entitled to receive the following benefits:

- a lump sum severance payment;
- continued medical coverage; and
- accelerated vesting of outstanding restricted stock and option awards (our restricted stock plan and option plans also include a provision that accelerates vesting upon a change in control.

Described below are the circumstances that would trigger our obligation to make payments subsequent to a change in control, the payments and benefits that would be paid and how the determination of those payments and benefits is made.

Payments and Benefits

For our Chief Executive Officer, the severance payment is equal to three times the sum of the executive s highest base salary in the three years preceding termination and the target bonus for the year of termination, and medical coverage will be continued for three years following the executive s termination. For Senior Vice Presidents, the severance payment is equal to two times the sum of the executive s highest base salary in the three years preceding termination and the target bonus for the year of termination, and medical coverage will be continued for two years following the executive s termination.

Change in Control

Generally the change in control agreements define Change in Control as:

- an acquisition of 25% or more of our voting securities, which would include the acquisition of Common Stock contemplated by the Offer;
- a merger or similar transaction resulting in current stockholders owning 75% or less of the common stock and voting securities of the corporation or entity resulting from such transaction, which would include the Merger;
- a substantial asset sale or our liquidation or dissolution; or
- a change in a majority of the members of our Board.

Termination without Cause or Resignation for Good Reason

Each change in control agreement defines cause as the executive officer s:

- willful and material failure to follow lawful instructions;
- willful gross misconduct or negligence resulting in material injury to us; or

conviction of a felony or any crime involving fraud or dishonesty, including any offense that relates to Buckeye s assets or business or the theft of our property.

Each change in control agreement defines good reason as, without the executive s consent:

a material reduction in duties, responsibilities, reporting obligations or authority or a material change in title or position;

a failure to pay compensation or benefits when due, or a reduction in compensation or benefits (other than generally applicable benefit reductions), or the discontinuance of existing incentive and deferred compensation plans;

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a relocation of the place of principal employment by more than 50 miles;

Buckeye fails to obtain assumption of the change in control agreement by an acquirer; or

the procedures outlined in the change in control agreement for terminating the executive s employment are not followed.

Non-Competition; Non-Solicitation; Confidentiality

Pursuant to the terms of the change in control agreements, each executive officer may not, during the term of his or her employment with us or thereafter, divulge our confidential information except as required by law or to enforce any rights he or she may have against us.

If a change of control occurs and an executive officer is terminated or resigns, then for one year the executive may not:

solicit our customers or prospective customers;

solicit our employees;

establish a business that competes with us;

work for a business that competes with us;

invest in business that competes with us; or

interfere with our customer or supplier relationships.

The following table shows the estimated maximum potential amounts of all payments to the named executive officers and senior vice presidents pursuant to the Change in Control Agreements assuming both the change of control and, where applicable, a termination of employment occurred on June 30, 2013. In order to avoid excise tax payments under Section 4999 of the Code, each of the named executive officers and senior vice presidents will waive up to the amount shown in the table below or such lesser amount as required to avoid excise taxes, unless the executive would receive a greater after-tax amount if such amounts were not waived and excise taxes were paid.

John B. Crowe, ***Chief Executive Officer***	Scheduled Severance ($)	Cash Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 8,229,161(1)		$ 8,229,161
Termination by Buckeye without Cause	$ 2,317,500(2)	$ 2,085,750(3)	$ 48,774(4)	$ 8,229,161(1)	$ (2,070,036)(5)	$ 10,611,149
Termination by Buckeye with Cause				$ 8,229,161(1)		$ 8,229,161
Termination for Good Reason by Executive	$ 2,317,500(2)	$ 2,085,750(3)	$ 48,774(4)	$ 8,229,161(1)	$ (2,070,036)(5)	$ 10,611,149
				$ 8,229,161(1)		$ 8,229,161

Termination without Good Reason by Executive

Steven G. Dean, ***Executive Vice President and*** ***Chief Financial Officer***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,378,610(1)		$ 1,378,610
Termination by Buckeye without Cause	$ 780,000(2)	$ 526,500(3)	$ 45,482(4)	$ 1,378,610(1)	$ (458,247)(5)	$ 2,272,345
Termination by Buckeye with Cause				$ 1,378,610(1)		$ 1,378,610
Termination for Good Reason by Executive	$ 780,000(2)	$ 526,500(3)	$ 45,482(4)	$ 1,378,610(1)	$ (458,247)(5)	$ 2,272,345
Termination without Good Reason by Executive				$ 1,378,610(1)		$ 1,378,610

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Douglas L. Dowdell ***Executive Vice President,*** ***Specialty Fibers***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,592,355(1)		$ 1,592,355
Termination by Buckeye without Cause	$ 750,000(2)	$ 506,250(3)	$ 45,482(4)	$ 1,592,355(1)	$ (422,746)(5)	$ 2,471,341
Termination by Buckeye with Cause				$ 1,592,355(1)		$ 1,592,355
Termination for Good Reason by Executive	$ 750,000(2)	$ 506,250(3)	$ 45,482(4)	$ 1,592,355(1)	$ (422,746)(5)	$ 2,471,341
Termination without Good Reason by Executive				$ 1,592,355(1)		$ 1,592,355

Charles S. Aiken ***Senior Vice President,*** ***Energy and Sustainability***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,797,615(1)		$ 1,797,615
Termination by Buckeye without Cause	$ 700,000(2)	$ 367,500(3)	$ 45,482(4)	$ 1,797,615(1)	$ (426,104)(5)	$ 2,484,493
Termination by Buckeye with Cause				$ 1,797,615(1)		$ 1,797,615
Termination for Good Reason by Executive	$ 700,000(2)	$ 367,500(3)	$ 45,482(4)	$ 1,797,615(1)	$ (426,104)(5)	$ 2,484,493
Termination without Good Reason by Executive				$ 1,797,615(1)		$ 1,797,615

Sheila Jordan Cunningham ***Senior Vice President,*** ***General Counsel and Secretary***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,476,641(1)		$ 1,476,641
Termination by Buckeye without Cause	$ 720,000(2)	$ 378,000(3)	$ 45,482(4)	$ 1,476,641(1)	$ (241,932)(5)	$ 2,378,191
Termination by Buckeye with Cause				$ 1,476,641(1)		$ 1,476,641
Termination for Good Reason by Executive	$ 720,000(2)	$ 378,000(3)	$ 45,482(4)	$ 1,476,641(1)	$ (241,932)(5)	$ 2,378,191
Termination without Good Reason by Executive				$ 1,476,641(1)		$ 1,476,641

Paul N. Horne ***Senior Vice President,*** ***Product and Market Development***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,988,593(1)		$ 1,988,593
Termination by Buckeye without Cause	$ 750,000(2)	$ 393,750(3)	$ 45,482(4)	$ 1,988,593(1)	$ (522,354)(5)	$ 2,655,472
Termination by Buckeye with Cause				$ 1,988,593(1)		$ 1,988,593
Termination for Good Reason by Executive	$ 750,000(2)	$ 393,750(3)	$ 45,482(4)	$ 1,988,593(1)	$ (522,354)(5)	$ 2,655,472
Termination without Good Reason by Executive				$ 1,988,593(1)		$ 1,988,593

Marko M. Rajamaa ***Senior Vice President, Nonwovens***	Scheduled Severance ($)	Cash Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 1,107,535(1)		$ 1,107,535
Termination by Buckeye without Cause	$ 650,000(2)	$ 341,250(3)	$ 45,482(4)	$ 1,107,535(1)	$ (48,874)(5)	$ 2,095,395
Termination by Buckeye with Cause				$ 1,107,535(1)		$ 1,107,535
Termination for Good Reason by Executive	$ 650,000(2)	$ 341,250(3)	$ 45,482(4)	$ 1,107,535(1)	$ (48,874)(5)	$ 2,095,395
Termination without Good Reason by Executive				$ 1,107,535(1)		$ 1,107,535

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Terrence M. Reed ***Senior Vice President, Human Resources***	Cash Scheduled Severance ($)	Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Change in Control Without Termination				$ 645,347(1)		$ 645,347
Termination by Buckeye without Cause	$ 550,000(2)	$ 330,000(3)	$ 45,482(4)	$ 645,347(1)	$ (256,848)(5)	$ 1,313,981
Termination by Buckeye with Cause				$ 645,347(1)		$ 645,347
Termination for Good Reason by Executive	$ 550,000(2)	$ 330,000(3)	$ 45,482(4)	$ 645,347(1)	$ (256,848)(5)	$ 1,313,981
Termination without Good Reason by Executive				$ 645,347(1)		$ 645,347

(1) Represents the sum of (1) the difference between the per share strike price of unvested options that would become vested in connection with a change in control and $37.50, and (2) the product of the number of unvested restricted shares that would become vested in connection with a change in control multiplied by $37.50.

(2) Represents the executive officer s highest annual base salary received during the three years preceding May 1, 2013 multiplied by the applicable multiplier under the change in control agreement (3 years in the case of Mr. Crowe and 2 years in the case of the other executive officers).

(3) Represents the executive officer s target bonus for the year ended June 30, 2013 multiplied by the applicable multiplier under the change in control agreement (3 years in the case of Mr. Crowe and 2 years in the case of the other executive officers).

(4) The value of medical benefits is estimated based on the annual premium each executive officer would be required to pay for continuing medical coverage under the provisions of our medical plan required by the Consolidated Omnibus Budget Reconciliation Act (COBRA) multiplied by the number of years such benefit would be provided under the applicable change in control agreement (3 years in the case of Mr. Crowe and 2 years in the case of the other executive officers).

(5) Messrs. Crowe, Dean, Dowdell, Aiken, Horne, Rajamaa, Reed and Ms. Cunningham s benefits and payments are subject to a modified cutback to eliminate any excise tax payable under section 4999 of the Code if the net-after tax amount that the executive would receive with respect to such payments or benefits does not exceed the net-after tax amount the executive would receive if the amount of such payment and benefits were reduced to the maximum amount which could otherwise be payable without the imposition of the excise tax. In respect of a termination occurring as of June 30, 2013 following a change in control, Messrs. Crowe, Dean, Dowdell, Aiken, Horne, Rajamaa, Reed and Ms. Cunningham do not receive a greater after-tax benefit without such reduction; accordingly their cash severance benefit would be reduced by the amount set forth in the table above. If instead, no cut-back had applied, Messrs. Crowe, Dean, Dowdell, Aiken, Horne, Rajamaa, Reed and Ms. Cunningham would have received total pre-tax payments of: Mr. Crowe, $12,681,185; Mr. Dean, $2,730,592; Mr. Dowdell, $2,894,087; Mr. Aiken, $2,910,597; Ms. Cunningham, $2,620,123; Mr. Horne, $3,177,826; Mr. Rajamaa, $2,144,267; and Mr. Reed, $1,570,829.

This summary of the Change in Control Agreements does not purport to be complete and is qualified in its entirety by reference to the Change in Control Agreements, the forms of which are filed as exhibits (e)(4) and (e)(5) hereto, and are incorporated herein by reference. Further information regarding the Change in Control Agreements is included in the Information Statement under the headings Executive Compensation Compensation Discussion and Analysis Description of Agreements with Executive Officers and Potential Payments Upon Termination or Change in Control.

Tender and Support Agreements

On April 23, 2013, in connection with the Merger Agreement, each of the directors and executive officers of Buckeye, solely in his or her capacity as a stockholder of Buckeye (collectively, the Supporting Stockholders), entered into a letter agreement with Georgia-Pacific and Purchaser (collectively, the Letter Agreements) under which each of them has agreed to tender all of his or her shares of Common Stock now held or hereafter acquired in the Offer. The Supporting Stockholders collectively have agreed to tender approximately 1,419,586 outstanding shares of Common Stock, or approximately 3.6% of the currently outstanding shares of Common Stock.

Each Letter Agreement terminates on the earlier of the termination of the Merger Agreement in accordance with its terms, the effective time of the Merger and the date of any modification to the Merger Agreement that reduces the amount or changes the form of the consideration currently contemplated by the Merger Agreement to be paid to the Supporting Stockholders.

This summary of the Letter Agreements does not purport to be complete and is qualified in its entirety by reference to the Letter Agreements, the form of which is filed as exhibit (e)(6) hereto, and is incorporated herein by reference.

Other Arrangements

Kristopher J. Matula was a former director, President and Chief Operating Officer of the Company and was a named executive officer in the Company s most recent proxy statement with respect to the 2012 annual meeting of the Company s stockholders. Mr. Matula resigned from the Board and from his officer positions with the Company on August 7, 2012 and ceased to be an employee of the Company on August 31, 2012. In connection therewith, Mr. Matula received the following: (i) a lump sum payment of $970,000, (ii) full and immediate vesting of all time-vested restricted stock awarded to him under the Company s Amended and Restated 2007 Omnibus Incentive Compensation Plan (the 2007 Omnibus Plan), (iii) full and immediate vesting of all options granted to him under the 2007 Omnibus Plan, (iv) an extension of the exercise period on each of Mr. Matula s vested options, including those which become vested pursuant to his separation agreement, until the earlier of (x) August 31, 2014 or (y) the original expiration date of such option, and (v) retention of the performance share awards, which were made to him in July 2010 and July 2011, and, if and to the extent the Company achieves its performance targets over the remaining performance period or upon an earlier change in control of the Company in connection with the Merger or otherwise, Mr. Matula will vest and receive a pro-rated portion of such earned performance shares equal to the number of days in the relevant performance period during which he was an employee of the Company divided by 1096 (such distribution, if any, to be made at the same time as distributions are made to other grantees of performance shares).

The following table shows amounts due to Mr. Matula upon a change in control in connection with the Merger.

Kristopher J. Matula, ***President and Chief Operating Officer*** (6)	Scheduled Severance ($)	Cash Bonus Severance ($)	Perquisites/ Benefits ($)	Equity ($)	Other ($)	Total ($)
After a Change in Control						
Payment on Change in Control				$ 528,562(1)		$ 528,562

(1) Represents the acceleration of 14,095 performance shares issued under our Amended and Restated 2007 Omnibus Incentive Compensation Plan upon a change in control.

Treatment of Shares, Options and Restricted Shares

If the directors and executive officers of Buckeye who own shares of Common Stock tender their shares of Common Stock for purchase pursuant to the Offer, they will receive the same cash consideration on the same

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terms and conditions as the other stockholders of Buckeye. The table below sets forth the beneficial ownership of Buckeye s directors and executive officers as of May 1, 2013, and the amount each would receive, subject to any withholding required by applicable tax laws, if he or she were to tender all of his or her shares of Common Stock for purchase to the Purchaser in the Offer and those shares of Common Stock were accepted for payment and paid for by Purchaser.

Executive Officer/Director	Number of shares of Common Stock Owned	Value of Shares of Common Stock
Shannon A. Brown	0	$ 0.00
George W. Bryan	29,229	$ 1,096,087.50
R. Howard Cannon	273,859	$ 10,269,712.50
Red Cavaney	43,399	$ 1,627,462.50
David B. Ferraro	153,407	$ 5,752,762.50
Katherine Buckman Gibson	17,510	$ 656,625.00
Lewis E. Holland	41,729	$ 1,564,837.50
Virginia B. Wetherell	13,279	$ 497,962.50
John B. Crowe	205,669	$ 7,712,587.50
Steven G. Dean	36,191	$ 1,357,162.50
Douglas L. Dowdell	28,774	$ 1,079,025.00
Charles S. Aiken	37,484	$ 1,405,650.00
Sheila Jordan Cunningham	34,452	$ 1,291,950.00
Paul N. Horne	15,316	$ 574,350.00
Marko M. Rajamaa	26,635	$ 998,812.50
Terrence M. Reed	6,792	$ 254,700.00

Pursuant to the Merger Agreement, immediately prior to the Effective Time, each unexpired and unexercised option to purchase shares of Common Stock (each, a Company Option), under any stock option or other equity or equity-based plan of Buckeye, including the Amended and Restated 1995 Management Stock Option Plan, the Second Amended and Restated 1995 Incentive and Nonqualified Stock Option Plan for Management Employees, the Restricted Stock Plan, the Omnibus Plan and the Amended and Restated Formula Plan for Non-Employee Directors or any other plan, agreement or arrangement (the Company Equity Plans), whether or not then exercisable or vested, will be cancelled and, in exchange therefor, each former holder of any such cancelled Company Option will be entitled to receive, in consideration of the cancellation of such Company Option and in settlement therefor, a payment in cash (subject to any applicable withholding or other taxes required by applicable law) of an amount equal to the product of (i) the total number of shares of Common Stock subject to such Company Option immediately prior to such cancellation and (ii) the excess, if any, of the Merger Consideration over the exercise price per Share subject to such Company Option immediately prior to such cancellation (such amounts payable, the Option Payments).

The Surviving Corporation will, prior to the next applicable payroll payment date following the closing of the Merger (but no later than fifteen (15) days following the closing of the Merger), make the applicable Option Payments by a payroll payment through Buckeye s or Purchaser s payroll provider and subject to withholding, if any, to each holder of Company Options. The table below sets forth the Company Options of Buckeye s directors and executive officers as of May 1, 2013, and the amount of the Option Payments each will receive, subject to any withholding required by applicable tax laws.

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Executive Officer/Director	Number of Company Options	Total Value of Company Options
Shannon A. Brown	0	$ 0.00
George W. Bryan	10,000	$ 269,400.00
R. Howard Cannon	10,000	$ 299,300.00
Red Cavaney	20,000	$ 568,700.00
David B. Ferraro	0	$ 0.00
Kathy Buckman Gibson	10,000	$ 269,400.00
Lewis E. Holland	0	$ 0.00
Virginia B. Wetherell	0	$ 0.00
John B. Crowe	114,303	$ 2,397,150.89
Steven G. Dean	53,279	$ 1,400,913.07
Douglas L. Dowdell	10,995	$ 147,404.65
Charles S. Aiken	17,769	$ 391,750.09
Sheila Jordan Cunningham	65,735	$ 1,751,732.18
Paul N. Horne	10,489	$ 154,928.59
Marko M. Rajamaa	26,374	$ 680,848.99
Terrence M. Reed	6,818	$ 119,059.98

Pursuant to the Merger Agreement, immediately prior to the Effective Time, each holder of an unvested share of Common Stock subject to forfeiture restrictions, repurchase rights or other restrictions under any Company Equity Plan (each, a Restricted Share) will have the right to tender his or her Restricted Shares into the Offer. Each Restricted Share that is not tendered in the Offer will vest in full and all restrictions (including forfeiture restrictions or repurchase rights) otherwise applicable to such Restricted Share will lapse immediately prior to the Effective Time and such Restricted Share will be converted into the right to receive the Merger Consideration, without interest, subject to any withholding of taxes required by applicable law. Each Restricted Share that is tendered in the Offer will vest in full and all restrictions will lapse upon the Purchaser s acceptance of Shares for payment in the Offer. The table below sets forth the Restricted Shares held by Buckeye s directors and executive officers as of May 1, 2013, and the amount each will be entitled to receive pursuant to the Merger Agreement for such Restricted Shares.

Executive Officer/Director	Number of Restricted Shares	Merger Consideration for Restricted Shares
Shannon A. Brown	3,290	$ 123,375.00
George W. Bryan	3,589	$ 134,587.50
R. Howard Cannon	3,589	$ 134,587.50
Red Cavaney	3,589	$ 134,587.50
David B. Ferraro	3,589	$ 134,587.50
Katherine Buckman Gibson	3,589	$ 134,587.50
Lewis E. Holland	3,589	$ 134,587.50
Virginia B. Wetherell	3,589	$ 134,587.50
John B. Crowe	199,815	$ 7,493,062.50
Steven G. Dean	32,674	$ 1,225,275.00
Douglas L. Dowdell	38,818	$ 1,455,675.00
Charles S. Aiken	44,384	$ 1,664,400.00
Sheila Jordan Cunningham	35,996	$ 1,349,850.00
Paul N. Horne	49,206	$ 1,845,225.00
Marko M. Rajamaa	26,435	$ 991,312.50
Terrence M. Reed	15,726	$ 589,725.00

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Employee Matters

The Merger Agreement provides that, from the Effective Time until the second anniversary of the Effective Time, subject to the terms of any applicable collective bargaining agreement or employment agreement, Georgia-Pacific shall, or shall cause its subsidiaries to, provide to each person who is employed by Buckeye or any subsidiary of Buckeye immediately prior to the Effective Time who continues in the employment of Georgia-Pacific, the Surviving Corporation or any of their respective subsidiaries on or after the Effective Time (each, a Continuing Employee) compensation and benefits (including severance benefits) that are substantially equivalent in the aggregate to the compensation and benefits provided to similarly situated employees of Georgia-Pacific and its subsidiaries (other than Buckeye and its subsidiaries). Georgia-Pacific shall, or shall cause its subsidiaries to, provide to each Continuing Employee, to the extent not previously provided to such Continuing Employee by Buckeye or its subsidiaries (except to the extent that such bonus had not been properly accrued in Buckeye s financial statements for periods prior to the date hereof (subject to adjustments in the ordinary course consistent with past practice)), (i) the amount of the bonus earned and accrued for the period ending June 30, 2013, in accordance with Buckeye s All Employee Bonus and At-Risk Compensation programs, in effect for such Continuing Employee immediately prior to the Effective Time, such bonus shall be payable at the time it would otherwise be payable pursuant to such bonus plan, and (ii) in the event the Effective Time occurs after June 30, 2013, the amount of the quarterly bonus earned and accrued for the applicable three-month period in which the Effective Time occurs, in accordance with Buckeye s quarterly bonus program to be established in the ordinary course of business consistent with Buckeye s current annual bonus program pursuant to its All Employee Bonus and At-Risk Compensation programs, except that the bonus amounts and performance targets shall be determined on a quarterly basis rather than an annual basis, in each case, unless such Continuing Employee s employment is terminated prior to such time by the Surviving Corporation, Company Subsidiary or affiliate thereof, as applicable, without misconduct of the Continuing Employee or other similar cause, as determined by Georgia-Pacific or any of its subsidiaries in good faith in its reasonable discretion, in which case such bonus will be payable at the time of such termination and shall be prorated to the date of such termination. In addition, Georgia-Pacific shall, or shall cause its subsidiaries to, provide to each Continuing Employee base salary (or rate of pay) that is not less than such Continuing Employee s base salary (or rate of pay) immediately prior to the Effective Time for nine (9) months following the Effective Time in the event such Continuing Employee s duties, responsibilities and authorities are the same as such Continuing Employee possessed immediately prior to the Effective Time.

Section 16 Matters

In contemplation of the transaction under the Merger Agreement, the Board adopted a resolution consistent with the interpretive guidance of the SEC so that the disposition by any officer or director of Buckeye who is a covered person of Buckeye for purposes of Section 16 of the Exchange Act and the rules and regulations thereunder (Section 16) of shares of Common Stock or Company Options pursuant to the Merger Agreement, the Offer and the Merger will be an exempt transaction for purposes of Section 16.

Item 4. The Solicitation or Recommendation
Solicitation Recommendation

The Board, at a meeting held on April 23, 2013, unanimously (i) determined that the Merger Agreement and each of the transactions contemplated thereby, including the Offer, the Top-Up Option (as defined below) and the Merger, are advisable fair to, and in the best interests of, Buckeye and its stockholders, (ii) authorized, approved and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Offer, the Top-Up Option and the Merger, on the terms and conditions set forth therein and in accordance with the requirements of the DGCL, and (iii) recommended that Buckeye s stockholders accept the Offer, tender their shares of Common Stock to Purchaser in the Offer and, to the extent applicable, vote in favor of the adoption and approval of the Merger Agreement and approve the Merger.

A copy of the letter to Buckeye s stockholders communicating the Board s recommendation is filed as Exhibit (a)(4) hereto and is incorporated herein by reference.

Background and Reasons for the Solicitation Recommendation

Background of the Offer

Our Board, with the assistance of Buckeye s senior management team, regularly reviews and considers Buckeye s long-term strategic plan with the goal of maximizing stockholder value. As part of this ongoing process, the Board periodically considers strategic opportunities, including acquisitions and divestitures.

In March 2012, Buckeye received an inquiry from the financial advisor to a specialty products company (Company A) regarding a potential merger of equals with the Company. Buckeye entered into a mutual confidentiality agreement with Company A on April 24, 2012. The confidentiality agreement includes a standstill that would prevent Company A from making an offer to acquire Buckeye without Board invitation or approval; however, the Merger Agreement provides that Buckeye may, upon request from a third party, waive any standstill provision to permit such third party to make a non-public competing proposal to the Board. Buckeye and Company A exchanged due diligence materials and had preliminary discussions regarding a potential combination, following which each party undertook to consider the synergies of a potential transaction. No proposal was made by either party.

At its April 2012 retreat, our Board initiated a process to review strategic growth alternatives available to Buckeye, including possible significant acquisition transactions. Following an initial screening of several qualified financial advisory firms by the senior management team, the Board selected Barclays Capital Inc. (Barclays) from among two finalists to assist Buckeye in connection with this review. The Board selected Barclays because of its familiarity with Buckeye and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally.

In late May 2012, as a result of the Board s review of strategic growth alternatives, Buckeye began exploring the potential acquisition of a leading manufacturer of specialty wood-based products (Company B) and engaged Barclays to provide financial advice in connection with the transaction and Dechert LLP (Dechert) to provide legal advice in connection with the transaction. Negotiations over the potential transaction with Company B continued through late August 2012, at which point the Board, with the assistance of senior management and after consultation with its legal and financial advisors, determined that the terms of the transaction would not be in the best interests of Buckeye and its stockholders and terminated discussions with Company B.

In July 2012, Buckeye received an inquiry from a private equity firm (Company C) regarding a potential transaction and met with representatives of Company C in New York, New York. No confidentiality agreement was entered into at that time, and no proposal was made.

In late July 2012, John Crowe, our Chairman of the Board and Chief Executive Officer, received an inquiry from a leading manufacturer of specialty products (Company D) regarding a potential acquisition by Company D of Buckeye s nonwovens business. Mr. Crowe and Sheila Jordan Cunningham, our Senior Vice President, General Counsel and Secretary, met with the chief executive officer and the general counsel of Company D to discuss the potential acquisition by Company D of Buckeye s nonwovens business. No proposal was made by Company D at the meeting.

On July 23, 2012, representatives of Buckeye and Company A met in Memphis, Tennessee for management presentations by each of Buckeye and Company A. Management of both Buckeye and Company A postponed further discussions because of other potential transactions under consideration.

On July 31, 2012, the Board held a special meeting, with Barclays in attendance, at which representatives of Barclays provided an update on potential strategic growth opportunities, including a potential transaction with Company A. At that meting, Mr. Crowe updated the Board as to a potential sale of Buckeye s nonwovens business, including Company D s interest in acquiring the business, and received Board approval to engage in preliminary discussions with third parties, including Company D, regarding a sales process for the business.

Also on July 31, 2012, Mr. Crowe received an invitation from Mr. David Park, Senior Vice President of Strategy and Business Development of Georgia-Pacific and President of the Purchaser, to attend the U.S. Open tennis tournament in New York.

On August 27, 2012, Buckeye and Company D entered into a confidentiality agreement with respect to the potential sale to Company D of the nonwovens business. The confidentiality agreement did not include any standstill or other restrictions that would prevent Company D from making an offer to acquire Buckeye.

In early September 2012, Mr. Crowe and his wife were the guests of Mr. Park and Mr. Pat Boushka, President of Georgia-Pacific s cellulose business, and their spouses at the U.S. Open. They did not have discussions regarding any possible transaction involving Georgia-Pacific or Buckeye.

In early September 2012, Mr. Crowe received an inquiry from a leading paper products company (Company E) regarding a potential acquisition by Company E of Buckeye s nonwovens business. The parties entered into a confidentiality agreement on September 14, 2012. The confidentiality agreement included a standstill that generally prohibited Company E from making any proposal regarding a possible acquisition of Buckeye other than a proposal to the Board on a confidential basis. However, Company E s obligations and restrictions under the standstill terminated upon Buckeye s execution of the Merger Agreement with Georgia-Pacific.

On September 19, 2012, Buckeye engaged Barclays to assist in a potential sale of Buckeye s nonwovens business. In early October 2012, Buckeye distributed a summary confidential information memorandum, or teaser, for Buckeye s nonwoven business to Company D, Company E and a private equity firm (Company F) whose financial advisor had contacted Mr. Crowe regarding a potential acquisition of Buckeye s nonwovens business. Buckeye and Company F entered into a confidentiality agreement on October 4, 2012. The confidentiality agreement included a standstill that generally prohibited Company F from making any proposal regarding a possible acquisition of Buckeye other than a proposal to the Board on a confidential basis.

In early October 2012, Buckeye received a second inquiry from Company C, this time regarding a potential leveraged buyout of Buckeye, following which Buckeye and Company C entered into a confidentiality agreement. The confidentiality agreement contained a standstill that generally prohibited Company C from making any proposal regarding a possible acquisition of Buckeye other than a proposal to the Board on a confidential basis and only to the extent such proposal would not require Buckeye to make a public announcement. On October 9, 2012, members of Buckeye s senior management team met with Company C and its financial advisor in Memphis, Tennessee and provided confidential information regarding the Company and its financial performance and outlook. A representative of Company C subsequently informed Mr. Crowe that Company C could not rationalize the economics of a leveraged buyout of Buckeye, and discussions were terminated. No proposal was ever made by Company C.

In early October 2012, Mr. Crowe and representatives of a financial advisory firm met with representatives of a leading dissolving pulp producer (Company G) regarding a potential joint venture. Mr. Crowe indicated that Buckeye s interest would likely be limited to a potential acquisition by Buckeye of certain of Company G s operations located outside of the United States.

In mid-October 2012, Buckeye received an inquiry from a consortium of two private equity firms (collectively Company H) regarding a potential leveraged buyout of Buckeye, following which Buckeye and Company H entered into a confidentiality agreement. The confidentiality agreement contained a standstill that generally prohibited Company H from making any proposal regarding a possible acquisition of Buckeye other than to the Board on a confidential basis. Following an introductory meeting in New York, on October 16, 2012, members of Buckeye s senior management team met with Company H and its financial advisor in Memphis, Tennessee and provided confidential information regarding Buckeye and its financial performance and outlook. A representative of Company H subsequently informed Mr. Crowe that Company H could not rationalize the economics of a leveraged buyout of Buckeye, and discussions were terminated. No proposal was ever made by Company H.

Each of Company D, Company E and Company F submitted an indicative proposal to acquire Buckeye s nonwovens business in early November 2012. Following discussions with Barclays, senior management suspended discussions with Company E and Company F because senior management believed that their indicative valuations did not present a sufficient value opportunity.

On October 23, 2012, the Board held a meeting at which Mr. Crowe updated the Board regarding the discussions with Company C and Company H.

On November 16, 2012, the Board held a special meeting, with Barclays and Dechert in attendance, at which Mr. Crowe updated the Board, on the pending discussions for Buckeye s nonwovens business. The Board directed management to terminate discussions with Company E and Company F because their indicative valuations did not present sufficient value, and continue discussions with Company D, directing Barclays to seek a higher valuation for the nonwovens business from Company D.

In late November 2012, Mr. Crowe and Mr. Park met for dinner in Memphis, Tennessee. Although they did not have any discussions regarding any possible transaction involving Georgia-Pacific or Buckeye, Mr. Park indicated that he would contact Mr. Crowe again in January.

In early December 2012, with discussions progressing regarding a potential sale of Buckeye s nonwovens business to Company D, Buckeye entered into an arrangement providing Company D with 90 days of exclusivity to finalize negotiations surrounding a sale of Buckeye s nonwovens business. The exclusivity arrangement applied only to transactions involving Buckeye s nonwovens business and did not apply to transactions involving Buckeye as a whole.

Also in early December 2012, the financial advisor to Company A contacted Barclays, and proposed discussions regarding either (i) a potential all stock merger of equals or (ii) an acquisition of Buckeye by Company A for $32.00 per share, consisting 50% of cash and 50% of Company A s common stock. Buckeye s leadership team determined, after consultation with its advisors, that the proposed valuation, which represented a 14% premium to Buckeye s stock price at the time, did not present an opportunity for sufficient value to Buckeye s stockholders to warrant further discussion at that time. Barclays informed Company A that the Company was not interested in pursuing further discussions at that time due to management s focus on other strategic projects and the absence of identifiable synergies in a transaction with Company A. Mr. Crowe discussed the Company A proposal, a potential sale of Buckeye s nonwovens business and other strategic transactions with each director individually during late December 2012 and early January 2013.

In late January 2013, Buckeye delivered to Company D a term sheet for the proposed sale of Buckeye s nonwovens business. On February 20, 2013, representatives of Company D participated in a management presentation with representatives of Buckeye, Barclays and Dechert regarding Buckeye s nonwovens business. Representatives of Company D subsequently participated in visits to Buckeye s Gaston, North Carolina and Steinfurt, Germany plants.

On January 22, 2013, Buckeye engaged Barclays to serve as its financial advisor with respect to a potential acquisition of certain of Company G s operations outside the United States, following which Buckeye submitted a non-binding indication of interest to Company G in January 2013. No confidentiality agreement was signed with Company G.

On January 25, 2013, Mr. Crowe received a request for confidential information from Mr. Park so that Georgia-Pacific could explore a potential negotiated transaction with Buckeye. On January 30, 2013, Buckeye

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and Georgia-Pacific entered into a confidentiality agreement and Buckeye subsequently provided the requested confidential information to Georgia-Pacific. The confidentiality agreement contained a standstill that generally prohibited Georgia-Pacific from making any proposal regarding a possible acquisition of Buckeye other than a proposal to the Board on a confidential basis and only to the extent such proposal would not require Buckeye to make a public announcement until such time as Buckeye announced a transaction with a third party.

On January 31, 2013, Mr. Crowe, together with representatives of Barclays and Dechert, participated in a telephonic discussion with Mr. Park and other representatives of Georgia-Pacific regarding Buckeye s financial performance and outlook.

In early February 2013, members of the senior management team and Barclays participated in a preliminary meeting with representatives of a specialty chemicals business (Company I) regarding a possible joint venture or acquisition by Buckeye of all or a portion of Company I. The parties did not enter into a confidentiality agreement, and no further discussions were held.

In mid-February 2013, Company A s financial advisor contacted Barclays to discuss the potential merger of equals or acquisition of Buckeye by Company A. Barclays noted that Buckeye remained focused on other strategic projects but would convey Company A s interests to Buckeye.

On February 21, 2013, Mr. Park and Mr. Boushka met with Mr. Crowe and made a non-binding indication of interest for Georgia-Pacific to acquire Buckeye for $35.00 per share, in cash. Mr. Crowe indicated that, in his view, $35.00 per share did not present a value that would be compelling to the Board, but indicated that the Board would likely be more receptive to a valuation closer to $40.00 per share.

On February 28, 2013, Mr. Park delivered to Mr. Crowe a non-binding indication of interest for Georgia-Pacific to acquire Buckeye for $37.50 per share, in cash, and requested the execution of a 45-day exclusivity agreement. The proposed transaction would be structured as an all cash tender offer, and Georgia-Pacific indicated that the absence of a financing condition would allow Georgia-Pacific to move quickly towards execution of definitive documentation. Mr. Crowe indicated that he would present the indication of interest to the Board and made Mr. Park aware that Buckeye was exploring a potential sale of its nonwovens business. Mr. Crowe did not provide Mr. Park or Georgia-Pacific the identity of Company D. Mr. Park indicated that Georgia-Pacific s indication of interest was not conditioned on Buckeye s termination of its discussions regarding the sale of the nonwovens business.

On March 5, 2013, the exclusivity period granted to Company D with respect to a potential sale of Buckeye s nonwovens business expired as per the terms of the exclusivity agreement and was not extended. On March 6, 2013, Company D delivered to Buckeye a summary of business issues raised by Buckeye s January 2013 term sheet and proposed an alternative transaction structure that would result in meaningful adverse tax consequences to Buckeye.

On March 7, 2013, the Board held a special meeting with representatives of senior management, Barclays and Dechert in attendance to discuss Georgia-Pacific s non-binding indication of interest. Representatives of Dechert provided a summary of the Board s fiduciary obligations in connection with the Board s consideration of the proposal, and representatives of Barclays provided a summary of the proposal, including the proposed purchase price, financing, timing, conditionality, request for exclusivity, transaction structure and the potential impact on a sale of Buckeye s nonwovens business. Representatives of Barclays also updated the Board on Buckeye s alternative strategic growth initiatives. The Board discussed, with the assistance of advisors, Georgia-Pacific s request for exclusivity and whether to contact any other parties in an effort solicit other offers for an acquisition of Buckeye. Representatives of Barclays summarized for the Board the prior proposal received from Company A. Barclays advised that, based on the history of prior discussions with Company A and Company A s financial position, they did not believe that Company A would be able to match the offer proposed by Georgia-Pacific. In addition, representatives of Barclays noted that, although Barclays was in contact with the numerous other industry participants with respect to Buckeye through the prior summarized alternative strategic growth initiatives, no such person had made any inquiry regarding a potential acquisition of Buckeye. Finally, representatives of Barclays noted that, in Barclays view based on its experience in the industry, it was unlikely that there was a credible alternative bidder, including private equity firms, that would be able to offer the same or a higher price than the valuation offered by Georgia-Pacific. Senior management discussed with the Board its belief, based in part on the explicit request for exclusivity, that if Georgia-Pacific learned that Buckeye was pursuing discussions with another party, Georgia-Pacific might terminate discussions with Buckeye. The Board also discussed that it was not actively looking to sell Buckeye and the risks associated with soliciting other offers, including multiple parties conducting due diligence, the increased risk of leaks and the potential impact on customers and employees and the business that could arise from these risks. Finally the Board also considered that even if Buckeye were to enter into an agreement with Georgia-Pacific, Buckeye would have the ability to consider certain competing offers thereafter subject to customary non-solicitation and termination fee provisions. Following these discussions, the Board concluded that it was in the best interests of Buckeye s stockholders for Buckeye to provide Georgia-Pacific with access to additional information and due diligence. The Board further requested that Buckeye s senior management team clarify with Georgia-Pacific the implications (positive or negative) on the Georgia-Pacific proposal of the potential nonwovens transaction with Company D and directed Buckeye s senior management team to continue its investigation of various strategic alternatives, including the potential acquisition by Buckeye of certain of Company G s operations located outside of the United States. Finally, the Board determined not to contact Company A or solicit additional bids at that time due, in part, to the views of senior management and Barclays described above, and that Buckeye would not agree to exclusivity arrangements with Georgia-Pacific.

On March 8, 2013, representatives of Barclays spoke with Mr. Park to inform him that the Board had authorized Buckeye s management to provide Georgia-Pacific access to additional due diligence information, subject to the existing confidentiality agreement, but that Buckeye would not grant exclusivity. Mr. Park communicated to the representatives of Barclays the importance of exclusivity to Georgia Pacific and that, while Georgia-Pacific at this time was prepared to proceed without exclusivity, Georgia-Pacific expected that Buckeye would be pursuing discussions only with Georgia-Pacific, that Georgia-Pacific would terminate discussions if Buckeye had pre-signing discussions with any other party and that Georgia-Pacific would likely revisit the need with Buckeye for a formal exclusivity arrangement at a later date if discussions proceeded. Subsequently, Mr. Crowe communicated to Mr. Park that Buckeye would not sign the exclusivity agreement but indicated that Buckeye was not currently engaged in discussions with other parties for a sale of Buckeye.

On March 13, 2013, Barclays received from Georgia-Pacific a comprehensive due diligence request list, and Buckeye began population of an electronic dataroom. From this date through April 23, 2013, Georgia-Pacific and its advisors conducted due diligence on Buckeye.

On March 21, 2013, after a review of any potential conflicts of interest and following disclosure by Barclays of its familiarity with Georgia-Pacific, including its role as a lender under Georgia-Pacific s revolving credit facility, Buckeye formally engaged Barclays to serve as its financial advisor in connection with a potential sale of Buckeye.

On March 22, 2013, representatives of Barclays received a call from Company A s financial advisor requesting a meeting to discuss Company A s prior proposal. Representatives of Barclays inquired as to whether Company A s view on price remained the same (i.e., an all stock merger of equals with Buckeye or an acquisition by Company A of Buckeye for $32.00 per share with 50% of the consideration payable in Company A s common stock). Company A s financial advisor noted that Company A s ability to pay more for Buckeye would be constrained by current trading multiples of Company A s stock. Barclays noted that Buckeye remained focused on other strategic projects but would convey Company A s interests to Buckeye.

On March 26, 2013, representatives from Buckeye, Barclays and Dechert held an all-day management presentation for Georgia-Pacific and its financial advisor in Memphis, Tennessee focusing on Buckeye s operations, financial performance and outlook.

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On March 27 and 28, 2013, representatives of Georgia-Pacific participated in site visits at Buckeye s Memphis, Tennessee and Perry, Florida plants.

On April 2, 2013, Latham & Watkins LLP (Latham), outside legal counsel to Georgia-Pacific, delivered to Dechert an initial draft of a two-step merger agreement for the proposed transaction. Among other things, the draft proposed a 5.0% termination fee, an evergreen matching right for Georgia-Pacific with respect to superior proposals, the ability for Georgia-Pacific to terminate the transaction if Buckeye had not affirmatively rejected a competing proposal within 20 days of receipt (a fish or cut bait provision), reimbursement by Buckeye of Georgia-Pacific s expenses in the event of a termination of the merger agreement under certain circumstances and the absence of any divestiture commitment, if necessary, in order to obtain antitrust clearance. The draft also contemplated all of Buckeye s directors and officers would sign support agreements.

On April 3, 2013, the Board held a special telephonic meeting to discuss the potential transaction with Georgia-Pacific and the potential sale of the nonwovens business to Company D. Mr. Crowe also updated the Board on Barclays March 22, 2013 discussion with Company A, as to which the Board took no action. After discussion, the Board authorized senior management, with the assistance of Barclays and Dechert, to begin negotiation of the draft merger agreement received from Georgia-Pacific to enhance terms of the potential transaction, including determining whether there might be upside to Georgia-Pacific s valuation in the event of a sale of the nonwovens business to Company D, and emphasizing that price, certainty of closing and the ability to consider and, if necessary, terminate the merger agreement for a superior alternative transaction should be focal points in any negotiation. The Board also authorized management, together with representatives of Barclays and Dechert, to engage in further negotiations with respect to pricing, terms and deal structure with Company D regarding the potential sale of Buckeye s nonwovens business.

On April 7, 2013, Mr. Crowe met in-person with the chief executive officer of Company D at Company D s headquarters to request a best and final offer for Company D s potential acquisition of Buckeye s nonwovens business.

On April 8, 2013, Dechert delivered to Latham a revised draft of the proposed merger agreement, which draft included a termination fee of 2.5%, a one-time matching right for Georgia-Pacific, a rejection of the fish or cut-bait provision, a rejection of reimbursement by Buckeye of Georgia-Pacific s expenses and a hell or high water provision requiring Georgia-Pacific to take any and all actions necessary to obtain antitrust clearance.

On April 9, 2013, Company D delivered to Buckeye, through Barclays, its best and final offer for Buckeye s nonwovens business. After discussion of this offer with its outside legal and financial advisors, senior management at Buckeye determined that, particularly in light of Company D s insistence on a transaction structure that was disadvantageous to Buckeye for tax reasons, the limited increase in valuation contemplated by Company D s final offer and Georgia-Pacific s confirmation that its proposed valuation of Buckeye would not be increased due to any valuation that Buckeye might be able to achieve through a concurrent sale of the nonwovens business, to suspend discussions with Company D to focus on the potential sale of Buckeye to Georgia-Pacific. Mr. Crowe informed the chief executive officer of Company D that Buckeye was not prepared at the present time to move forward with a sale of the nonwovens business to Company D on the proposed terms.

Also on April 9, 2013, Latham provided to Dechert a business issues list, which was subsequently discussed with Buckeye senior management and representatives of Barclays. The business issues list proposed, among other things, that the termination fee should be meaningfully in excess of 3.0%, evergreen matching rights for Georgia-Pacific, reinsertion of the fish or cut-bait provision, no hell-or-high-water antitrust obligation and specific closing conditions related to compliance. Representatives of Georgia-Pacific, Latham and Dechert discussed and negotiated the issues raised in the business issues list.

On April 11 and 12, 2013, representatives of Buckeye, Georgia-Pacific, Dechert and Latham met in Memphis, Tennessee to discuss the transaction and advance negotiations of the merger agreement, with particular focus on the conditions to the Offer and the Merger, deal protections terms and the scope of representations, warranties and interim operating covenants proposed to be made by Buckeye. Also on April 11 and 12, 2013, representatives of Georgia-Pacific participated in a site visit at Buckeye s Gaston, North Carolina plant.

On April 11, 2013, the Board held a special meeting, attended by representatives of Barclays and Dechert, to discuss the proposed transaction with Company D and the proposed transaction with Georgia-Pacific. Mr. Crowe updated the Board on Company D s best and final offer and Georgia-Pacific s confirmation that its proposed valuation of Buckeye would not be increased due to any valuation that Buckeye might be able to achieve through a concurrent sale of the nonwovens business and noted that, accordingly, he had suspended discussions with Company D pending the outcome of the potential transaction with Georgia-Pacific. The Board approved of that decision. Representatives of Dechert reviewed the Board s fiduciary duties under Delaware law and their application in a potential transaction with Georgia-Pacific and also reviewed with the Board the current draft of the merger agreement, highlighting provisions related to deal protection, including the non-solicitation provision, matching rights, the superior offer termination right and the termination fee, deal certainty, including antitrust risk allocation, and covenants related to interim operating covenants. Representatives of Barclays reviewed with the Board Barclay s preliminary financial analysis relating to the proposed purchase price of $37.50 per share. The Board, with the assistance of Barclays, discussed that it was unlikely that there was a credible alternative bidder, including private equity firms, that would be able to offer the same or a higher price than the valuation offered by Georgia-Pacific and the Board s belief that if Georgia-Pacific learned that Buckeye was pursuing discussions with another party, Georgia-Pacific might terminate discussions with Buckeye. The Board then directed Dechert to negotiate enhanced deal certainty terms and to ensure the deal protection terms were reasonable and provided the Board with adequate ability to satisfy its fiduciary duties, including by seeking a reduced termination fee, and directed Barclays to seek a higher valuation from Georgia-Pacific.

On April 12, 2013, Mr. Park contacted Mr. Crowe to discuss Georgia-Pacific s valuation of Buckeye based on its ongoing due diligence efforts. Mr. Park informed Mr. Crowe that Georgia-Pacific proposed to reduce its $37.50 price by at least $0.40 per share based on certain items identified in its due diligence review. Mr. Crowe informed Mr. Park that, in his view, the Board would not agree to any price reduction, following which Barclays contacted Georgia-Pacific s financial advisor to communicate a similar message. Following these calls, at the direction of Buckeye s senior management team, Buckeye and its legal and financial advisors suspended negotiations with Georgia-Pacific and its advisors.

On April 13, 2013, representatives of UBS Securities LLC, Georgia-Pacific s financial advisor, called representatives of Barclays and explained Georgia-Pacific s proposed reduction in the per share purchase price based on Georgia-Pacific s due diligence review. The representatives of Barclays indicated that any price reduction would likely be unacceptable to Buckeye.

On April 14, 2013, Latham circulated a business issues list that included a package proposal for resolution of the remaining business issues (other than price), which proposal included a termination fee of 3.4%, evergreen matching rights, a commitment to litigate until the extended outside date to obtain antitrust clearance but no divestiture commitment and a prohibition on Buckeye s payment of any dividends (including its regular quarterly dividend) during the period between signing and closing of a transaction.

On April 15, 2013, Mr. Park called Mr. Crowe and reaffirmed a $37.50 price per share, and Mr. Crowe instructed Buckeye s legal and financial advisors to resume discussions with Georgia-Pacific and its advisors regarding the transaction. Later that day, Dechert circulated to Latham a draft of the disclosure schedules to the merger agreement and Latham provided a revised draft of the merger agreement which reflected its package proposal that had been delivered to Dechert on April 14, 2013.

On April 16, 2013, representatives of Barclays received a call from Company A s financial advisor requesting a meeting to discuss its previous proposal. Company A s financial advisor indicated that, although not authorized by Company A to make the offer and subject to review with Company A, there might be some

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flexibility on the $32.00 per share valuation, noting, however, that such flexibility would likely be limited to the mid-$30s per share. Barclays responded that Buckeye remained focused on other strategic projects but would convey Company A s interests to Buckeye. Barclays also prepared an update on Company A s proposal that was subsequently shared with the Board.

On April 16, 2013, the parties continued negotiation of the merger agreement. During such negotiations Georgia-Pacific indicated that it was prepared to agree to limited divestiture commitments, if necessary to obtain antitrust clearance as part of the overall package previously provided by Latham on April 14, 2013 for resolution of the remaining business issues, provided that the transaction structure was changed to a dual-track structure.

On April 17, 2013, representatives of Barclays contacted Mr. Park to discuss potential upside in Georgia-Pacific s proposed valuation. Mr. Park stated that $37.50 per share represented Georgia-Pacific s best and final offer.

Also, on April 17, 2013, Dechert circulated a business issues list that included Buckeye s response to Georgia-Pacific s April 14th package proposal, which response included a termination fee of 3.0% and evergreen matching rights except in connection with a superior proposal that exceeds the Offer Price by 5.0% or more.

Later in the evening on April 17, 2013, Latham circulated a revised draft of the merger agreement which did not address Buckeye s package proposal but did include the proposed divestiture commitment. Among other things, the Latham draft also proposed a termination fee of 3.4%, an evergreen matching right and provided that Georgia-Pacific would have up to 13 months post-signing to obtain regulatory approval.

Between April 18 and 23, 2013, the parties continued to negotiate the terms of the proposed transaction, with particular focus on the dual track structure, the interim operating covenants, the scope and timing of the divestiture commitment, deal protection and deal certainty. Multiple drafts of the merger agreement and disclosure schedules were circulated among the parties. During this period Georgia-Pacific agreed to certain concessions on deal protection including the provision that would only provide one matching right in connection a superior proposal at a price of 10.0% or more than the Offer Price.

On April 23, 2013, Mr. Crowe and Mr. Park negotiated the final business issues, including the ability for Buckeye to continue to pay regular quarterly dividends during the period between signing and closing, a 10-month extended outside date for closing of the transaction and a 3.25% termination fee. Also on April 23, 2013, at the insistence of Georgia-Pacific, Buckeye and Barclays amended (i) Barclays engagement letter for the sale of the nonwovens business and (ii) Barclays engagement letter for the potential acquisition by Buckeye of certain of Company G s operations outside the United States, in each case effective only as of the consummation of the proposed transaction, to terminate any rights that Barclays may have under such letters to any fee for any subsequent transaction, including any divestiture that may be required under the terms of the Merger Agreement to obtain antitrust clearance.

At 5:00 p.m. Eastern Time on April 23, 2013, the Board held a special meeting in Memphis, Tennessee, attended by telephone by representatives of Barclays and Dechert. Representatives of Dechert updated the Board on the proposed terms of the transaction, with particular emphasis on deal protection and deal certainty, including Georgia-Pacific s commitment to agree to a divestiture before the extended outside date if necessary to obtain antitrust clearance, and answered questions. Representatives of Barclays then reviewed its financial analyses relating to the proposed purchase price of $37.50 per share, and Barclays also rendered its opinion to the Board to the effect that, as of April 23, 2013 and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration of $37.50 per share to be offered to the stockholders of Buckeye in the Offer and the Merger was fair, from a financial point of view, to such stockholders. Representatives of Barclays also summarized the most recent proposal received from Company A, noting that it was unlikely that Company A could increase its offer to $37.50 per share based on, among other things, multiples at which Company A s stock was trading. Finally, representatives of Barclays noted that they agreed with Buckeye s strategy not to have

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solicited alternative bids as it was in Barclays view, unlikely that there was a credible alternative bidder likely to meet or exceed the valuation offered by Georgia-Pacific. After further discussion, the Board instructed Dechert to negotiate for additional deal certainty with respect to Georgia-Pacific s divestiture obligations and temporarily adjourned the meeting in order that Dechert would have time to engage in such negotiations. After additional negotiations among representatives of the parties, during which Georgia-Pacific agreed to certain modifications to its commitment to agree to a divestiture before the extended outside date if necessary to obtain antitrust clearance, the Board reconvened and, after being updated with respect to such modifications, unanimously (i) determined that it is advisable, fair and in the best interests of Buckeye to enter into the Merger Agreement, (ii) determined that the terms of the Merger Agreement, including the Offer, the Top-Up Option and the Merger, are fair to and in the best interests of Buckeye and its stockholders and are approved and declared advisable, (iii) authorized the Merger Agreement and the transactions contemplated thereby, including the Offer, the Top-Up Option and the Merger, and (iv) recommended that Buckeye s stockholders accept the Offer, tender their Shares to the Purchaser in the Offer and vote in favor of the adoption and approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, if required by applicable law.

On the evening of April 23, 2013, the parties entered into the Merger Agreement and the directors and senior executive officers of Buckeye entered into the Support Agreements. The transaction was announced via a joint press release prior to the market opening on April 24, 2013.

Reasons for Recommendation

In evaluating the Merger Agreement, the Offer, the Merger and the transactions contemplated by the Merger Agreement, the Board consulted with our management and our legal and financial advisors. In reaching its decision to approve the Merger Agreement and to recommend that the holders of shares of Common Stock accept the Offer and tender their shares to the Purchaser in the Offer and, if required by law, adopt and approve the Merger Agreement and the transactions contemplated thereby, the Board considered a variety of factors, including the following:

Premium to Market Price. The Board considered the fact that the Offer Price of $37.50 to be received by Buckeye s stockholders in the Offer and the Merger represents a significant premium over the market prices at which the Common Stock traded prior to the announcement of the execution of the Merger Agreement, including:

a 29.2% premium over the closing price per share of Common Stock on April 22, 2013, the last trading day before execution of the Merger Agreement;

a 27.3% premium over the average closing price per share of Common Stock for the one-month period ended April 22, 2013; and

a 15.0% premium over the 52-week high closing price per share of Common Stock and a 57.8% premium over the 52-week low closing price per share of Common Stock.

Valuation Multiple. The Board considered the fact that the per share price of $37.50 represents a valuation of Buckeye at a multiple of 7.9 times Buckeye s estimated EBITDA for the 2013 fiscal year and 16.5 times Buckeye s estimated diluted earnings per share for the 2013 fiscal year.

Certainty of Value. The Board considered that the consideration to be received by Buckeye s stockholders in the Offer and the Merger will consist entirely of cash, which provides liquidity and certainty of value to stockholders.

Available Financial and Business Information as well as Management Forecasts. The Board considered the current and historical financial condition, results of operations, competitive position, business, prospects and strategic objectives of Buckeye, including the potential risks involved in achieving such prospects and objectives.

Strategic Alternatives Available to Buckeye and Continuing with Buckeye s Current Business Plan. The Board believed, after a review of other strategic opportunities reasonably available to Buckeye, including continuing to operate on a stand-alone basis, the possibility of a sale of the nonwovens business and the possibility of growing the business through a significant acquisition while remaining an independent public company, that the Offer and the Merger represent Buckeye s best reasonably available prospect for maximizing stockholder value.

Full and Fair Value. The Board believed that the Offer Price of $37.50 per share of Common Stock represents full and fair value for the shares of Common Stock, taking into account the Board s familiarity with the business, operations, prospects, business strategy, properties, assets, liabilities and financial condition and the relative certainty of the consideration in cash for the Offer.

Best Price Reasonably Available. The Board believed that the Offer Price of $37.50 per share of Common Stock represents the best price reasonably available for the shares of Common Stock, taking into account the range of values implied by Barclays various financial analyses and that it was unlikely that any other potential buyer would be willing to pay more to acquire Buckeye.

Terms of the Merger Agreement. The Board believed that the provisions of the Merger Agreement were in the best interests of Buckeye and its stockholders. In particular:

Likelihood of Completion. The Board considered the limited conditions to the parties obligations to complete the Offer and Merger, including the likelihood of the Offer and the Merger being approved by applicable regulatory authorities, particularly in light of Georgia-Pacific s divestiture commitments, and the absence of any financing condition.

Right to Respond to Competing Offers; Termination Right for Superior Proposal. The Board considered Buckeye s ability to, subject to the terms and conditions of the Merger Agreement, provide information to and engage in negotiations with a third party who makes an unsolicited acquisition proposal which would reasonably be expected to lead to a superior proposal, and to terminate the Merger Agreement to enter into a superior proposal concurrently with paying the termination fee.

Termination Fee. The termination fee of 3.25% of the equity value of the transaction payable to Georgia-Pacific under certain circumstances in connection with a termination of the Merger Agreement, which the Board concluded was reasonable in the context of termination fees payable in comparable transactions and in light of the overall terms of the Merger Agreement.

Limited Matching Rights. The Board considered the fact that Georgia-Pacific has only one matching right in connection a superior proposal at a price of 10.0% or more than the Offer Price.

Change in Recommendation. The Board considered the ability of the Board, subject to the terms and conditions of the Merger Agreement, to change its recommendation supporting the Offer or Merger, in response to a superior proposal or due to certain intervening events.

Enforcement. The Board considered Buckeye s ability to seek specific enforcement of Georgia-Pacific s obligations under the Merger Agreement.

Structure of the Transaction. The Board considered that the structure of the transaction provided (i) an initial tender offer, which, assuming satisfaction of the conditions, can be completed promptly, reducing the period of uncertainty for stockholders, employees and customers, (ii) that subject to limited exceptions Georgia-Pacific is required to extend the Offer if the conditions to the Offer were not satisfied as of the applicable expiration date, and (iii) in certain circumstances, permits the use of a one step transaction.

Top-Up Option. The Board considered the top-up option granted to Georgia-Pacific (which may be exercised by Georgia-Pacific, on its own accord or at the direction of Buckeye, only once Georgia-Pacific has acquired at least 75.0% of the outstanding shares on a fully diluted basis in

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the Offer), which would permit Georgia-Pacific to consummate the Merger more quickly following consummation of the Offer as a short-form merger under Delaware law and facilitate expedited payment of the Offer Price to holders of Shares not tendered into the Offer.

Business Reputation and Financial Strength of Georgia-Pacific. The Board considered the business reputation and substantial financial resources of Georgia-Pacific.

Opinion of Barclays. The Board considered the opinion of Barclays rendered on April 23, 2013 to the Board to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration of $37.50 per share in cash to be offered to the stockholders of Buckeye in the Offer and the Merger was fair, from a financial point of view, to such stockholders. The full text of Barclays opinion is attached hereto as Annex II. For further discussion of Barclays opinion, see Opinion of Barclays Capital Inc., Financial Advisor to the Board below.

Appraisal Rights. The Board discussed the availability of statutory appraisal rights under Delaware law in the Merger for holders of shares of Common Stock who do not tender their shares in the Offer, do not vote such shares in favor of the Merger and who otherwise comply with all the required procedures under Delaware law.

The Board also considered potential risks and uncertainties associated with the Offer and the Merger in connection with its evaluation of the proposed transaction, including:

No Stockholder Participation in Buckeye s Future. If the Offer and the Merger are consummated, holders of Common Stock will receive the Offer Price in cash and will no longer have the opportunity to participate in the increase, if any, in the value of Buckeye.

Deal Protection Measures. The Board considered the possibility that the ability of Georgia-Pacific to match competing proposals (except in limited circumstances) and the termination fee payable by Buckeye to Georgia-Pacific in certain circumstances may deter third parties who might be interested in exploring an acquisition of Buckeye, and that Buckeye might be required to pay the termination fee under circumstances in which Buckeye does not engage in another transaction. The Board acknowledged that the provisions in the Merger Agreement related to Georgia-Pacific s match right and termination fees were insisted upon by Georgia-Pacific as a condition to entering into the Merger Agreement, that Georgia-Pacific s match right, the amount of the termination fee and the provisions of the Merger Agreement relating to the termination fee and non-solicitation of acquisition proposals were reasonable in light of, among other things, the benefits of the Offer and the Merger to Buckeye s stockholders and would likely not deter competing bids.

Failure to Close. The Board considered the risk that Georgia-Pacific may terminate the Merger Agreement and not complete the Offer in certain limited circumstances, including, subject to certain conditions, if there is a material adverse effect with respect to Buckeye or if Buckeye does not perform certain obligations under the Merger Agreement in all material respects. The Board also considered the potential impact of the public announcement of any termination of the Merger Agreement, including that:

the market price of the Common Stock would likely be adversely affected;

Buckeye s directors, officers and other employees would have expended considerable time and effort to attempt to consummate the Offer and the Merger;

Buckeye would have incurred significant transaction and opportunity costs attempting to consummate the Offer and the Merger, including, in certain circumstances, payment of the termination fee;

Buckeye s business may be subject to significant disruption;

Buckeye s ability to attract and retain key personnel may be more difficult; and

Buckeye s relationships with customers, suppliers and other business partners may be weakened.

Interim Restrictions on Business Pending the Completion of the Offer. The Board considered the restrictions imposed by the Merger Agreement on the conduct of Buckeye s business prior to completion of the Offer or the Merger.

Tax Treatment. The Board considered that the Offer Price to be received by the holders of Common Stock in the Offer and the Merger would be taxable to such holders for U.S. federal income tax purposes.

Regulatory Approval. The Board considered the regulatory approvals that may be required to consummate the Offer and the Merger and the prospects and potential timeline for receiving such approvals.

Potential Conflicts of Interest. The Board considered that Buckeye s executive officers and directors may have interests in the transaction that are different from, or in addition to, those of Buckeye s other stockholders. See Item 3. Past Contacts, Transactions, Negotiations and Agreements.

The Board based its ultimate decision on its business judgment that the benefits of the Offer and the Merger to stockholders of Buckeye outweigh the negative considerations.

The foregoing discussion is not intended to be exhaustive but rather includes the material factors considered by the Board. The Board reached the conclusion to approve the Merger Agreement, the Offer, the Merger and the transactions contemplated by the Merger Agreement in light of the various factors described above and other factors that the individual members of the Board believed were appropriate. In view of the wide variety of factors considered by the Board in connection with its evaluation of the Merger Agreement and the complexity of those factors, the Board did not attempt to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision and the Board made its recommendation based on the totality of information available to it. In considering the factors above, the individual directors may have given different weight to different factors.

Opinion of Buckeye s Financial Advisor

Buckeye engaged Barclays to act as its financial advisor with respect to a possible sale of Buckeye or all or substantially all of its assets. On April 23, 2013, Barclays rendered its opinion to the Board to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be offered to the stockholders of Buckeye in the Offer and the Merger is fair, from a financial point of view, to such stockholders.

The full text of Barclays written opinion, dated as of April 23, 2013, is attached hereto as Annex II. Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays opinion, the issuance of which was approved by Barclays Fairness Opinion Committee, is addressed to the Board, addresses only the fairness, from a financial point of view, of the consideration to be offered to the stockholders of Buckeye and does not constitute a recommendation to any stockholder of Buckeye as to whether to accept the consideration to be offered to the stockholders of Buckeye in connection with, or how such stockholder should vote with respect to, the Offer and the Merger. The terms of the Offer and the Merger were determined through arm s-length negotiations between Buckeye and Georgia-Pacific and were unanimously approved by the Board. Barclays did not recommend any specific form of consideration to Buckeye or that any specific form of consideration constituted the only appropriate consideration for the Offer and the Merger. Barclays was not requested to opine as to, and its opinion does not in any manner address, Buckeye s underlying business decision to proceed with or effect the Offer and the Merger or the likelihood of consummation of the

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Offer and the Merger. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Offer and the Merger, or any class of such persons, relative to the consideration to be offered to the stockholders of Buckeye in the Offer and the Merger. Other than as described below, no limitations were imposed by the Board upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things:

- reviewed and analyzed a draft of the Merger Agreement, dated as of April 23, 2013, and the specific terms of the Offer and the Merger;

- reviewed and analyzed publicly available information concerning Buckeye that Barclays believed to be relevant to its analysis, including Buckeye s Annual Report on Form 10-K for the fiscal year ended June 30, 2012 and Quarterly Reports on Form 10-Q for the fiscal quarters ended September 30, 2012 and December 31, 2012;

- reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Buckeye furnished to Barclays by Buckeye, including financial projections of Buckeye prepared by Buckeye s management;

- reviewed and analyzed a trading history of Common Stock from April 22, 2003 through April 22, 2013 and a comparison of the trading history of Common Stock from April 22, 2010 through April 22, 2013 with those of indices comprised of other companies that Barclays deemed relevant;

- reviewed and analyzed a comparison of the historical financial results and present financial condition of Buckeye with those of other companies that Barclays deemed relevant;

- reviewed and analyzed a comparison of the financial terms of the Offer and the Merger with the financial terms of certain other transactions that Barclays deemed relevant;

- reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance and price targets of Buckeye;

- had discussions with the management of Buckeye concerning its business, operations, assets, liabilities, financial condition and prospects; and

- undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and Barclays did not assume responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of the management of Buckeye that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of Buckeye, upon the advice of Buckeye, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Buckeye as to the future financial performance of Buckeye and that Buckeye would perform in accordance with such projections. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Buckeye and did not make or obtain any evaluations or appraisals of the assets or liabilities of Buckeye. In addition, Barclays was not authorized by Buckeye to solicit, and Barclays did not solicit, any indications of interest from any third party with respect to the purchase of all or a part of Buckeye s business, other than one third party that Barclays solicited on behalf of Buckeye and other than with respect to Buckeye s nonwovens materials business. Barclays opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, April 23, 2013. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after April 23, 2013.

In arriving at its opinion, Barclays assumed that the executed Merger Agreement would conform in all material respects to the last draft reviewed by Barclays. In addition, Barclays assumed the accuracy of the representations and warranties contained in the Merger Agreement and all agreements related thereto. Barclays also assumed, upon the advice of Buckeye, that all material governmental, regulatory, and third party approvals, consents and releases for the Offer and the Merger will be obtained within the constraints contemplated by the Merger Agreement and that the Offer and the Merger will be consummated in accordance with the terms of the Merger Agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the Offer and the Merger, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood that Buckeye had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Common Stock but rather made its determination as to fairness, from a financial point of view, to Buckeye s stockholders of the consideration to be offered to such stockholders in the Offer and the Merger on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the Board. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Buckeye or any other parties to the Offer and the Merger. None of Buckeye, Georgia-Pacific, Purchaser, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

Analysis of Implied Premiums and Multiples

Barclays analyzed the implied premiums based on the consideration of $37.50 per share of Common Stock as compared to the following:

- the closing price of Common Stock on April 22, 2013;
- the average closing price of Common Stock for the 30-calendar day period, 90-calendar day period and 1-year period ended on April 22, 2013;
- the 52-week high closing price of Common Stock ending on April 22, 2013; and
- the all-time high closing price of Common Stock, which occurred on January 20, 2012.

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The results of this analysis are summarized in the following table:

Time Period	Price	Implied Premium
April 22, 2013	$ 29.02	29.2%
30-Day Average	$ 29.46	27.3%
90-Day Average	$ 28.95	29.5%
1-Year Average	$ 29.27	28.1%
52-Week High (September 14, 2012)	$ 32.62	15.0%
All-Time High (January 20, 2012)	$ 37.40	0.3%

Barclays also analyzed the implied multiple of Buckeye s enterprise value (or short- and long-term debt plus market value of common equity, minus cash and cash equivalents) to revenue and earnings before interest, taxes, depreciation and amortization, or EBITDA, adjusted for non-recurring charges, or Adjusted EBITDA, based on the consideration of $37.50 per share of Common Stock. For purposes of its analyses, Barclays used estimated revenue and Adjusted EBITDA for fiscal years ending June 30, 2013 and 2014 based on Buckeye management forecasts. Barclays also calculated the implied projected earnings per share multiples (commonly referred to as a price earnings ratio) based on consideration of $37.50 per share of Common Stock, with the projected earnings per share multiples based on Buckeye management forecasts. The results of this analysis are summarized below:

Multiple Analysis	Implied Multiple based on Consideration of $37.50 Per Share of Common Stock
Enterprise Value/Estimated 2013 Revenue	1.86x
Enterprise Value/Estimated 2014 Revenue	1.75x
Enterprise Value/Estimated 2013 Adjusted EBITDA	7.9x
Enterprise Value/Estimated 2014 Adjusted EBITDA	6.6x
Estimated 2013 Price/Earnings Ratio	16.5x
Estimated 2014 Price/Earnings Ratio	13.1x

Historical Share Price Analysis

To illustrate the trend in the historical trading prices of Common Stock, Barclays considered historical data with regard to the trading prices of Common Stock for the period from April 22, 2010 to April 22, 2013, and compared such data with the relative stock price performances during the same periods of composite indices comprised of the following dissolving pulp manufacturing companies (the Dissolving Pulp Index) and nonwoven materials manufacturing companies (the Nonwoven Materials Index):

Dissolving Pulp Index Companies

Borregaard ASA

Fortress Paper Ltd.

Sappi Ltd.

Sateri Holdings Ltd.

Tembec Inc.

Nonwoven Materials Index Companies

P.H. Glatfelter Company

Duni AB

Fiberweb PLC

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Barclays noted that from April 22, 2010 to April 22, 2013, the per share closing price of Common Stock increased 93.7% while the Dissolving Pulp Index decreased 46.9%, and the Nonwoven Materials Index increased 37.6%. Barclays also noted that from April 22, 2012 to April 22, 2013, the per share closing price of Common Stock decreased 11.7% while the Dissolving Pulp Index decreased 21.6%, and the Nonwoven Materials Index increased 27.2%.

Selected Comparable Company Analysis

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Buckeye with selected companies that Barclays, based on its experience in the dissolving pulp and nonwoven materials industries, deemed comparable to Buckeye. Barclays performed this selected comparable company analysis for Buckeye on a sum-of-parts basis using separate implied values for its specialty fibers and nonwoven materials segments. The selected comparable companies used in the analysis of the specialty fibers industry were Rayonier Inc. and the same companies listed above in the Dissolving Pulp Index (the Specialty Fiber Companies), and the selected comparable companies used in the analysis of the nonwoven materials industry were the same companies summarized above in the Nonwoven Materials Index (the Nonwoven Material Companies).

Barclays calculated and compared various financial multiples and ratios of Buckeye and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed the ratio of each company s enterprise value to projected EBITDA for fiscal years ending 2013 and 2014 (which were calendarized from fiscal years ending September 30, 2013 and 2014 or December 31, 2013 and 2014, as the case may be, to correspond with Buckeye s fiscal years ending June 30, 2013 and 2014). The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its common equity and the book value of any minority interest, and subtracting its cash and cash equivalents. All of these calculations were performed, and based on publicly available financial data (including FactSet and I/B/E/S Consensus) and closing prices, as of April 22, 2013, the last trading date prior to the delivery of Barclays opinion. The results of this selected comparable company analysis are summarized below:

Enterprise Value as a Multiple of Fiscal Year 2013 Estimated EBITDA

	Low	Median	Mean	High
Specialty Fiber Companies*	4.0x	5.2x	5.4x	7.1x
Nonwoven Material Companies	4.3x	6.5x	5.9x	6.9x

* Rayonier Inc. excluded from multiples due to its significant timber assets and REIT structure.

Buckeye based on Buckeye management projections	**6.3x**
Buckeye based on FactSet and I/B/E/S Consensus estimates	**6.1x**

Enterprise Value as a Multiple of Fiscal Year 2014 Estimated EBITDA

	Low		Median	Mean	High
Specialty Fiber Companies*	4.2x				